Retirement law

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About 40 years ago, legislation was enacted that reduced the Social Security benefits of many letter carriers and other postal and federal employees. Fifteen years later, another law was enacted that further reduced our Social Security benefits. The Government Pension Offset (GPO), enacted in 1977, reduces (and, in most cases, eliminates) the Social Security spousal benefits of CSRS employees. The Windfall Elimination Provision (WEP), enacted in 1983, reduces the earned Social Security benefit of most CSRS employees.

Both of those laws created inequities and injustices. The NALC has been fighting for their repeal from the day they were enacted. A news report in the May *Postal Record* recounted the most current front of that fight. The Social Security Fairness Act (H.R. 973) would repeal the GPO and the WEP. The Equal Treatment of Public Servants Act (H.R. 711) would diminish the harm of the WEP, but not completely. The House subcommittee on Social Security recently held a hearing on H.R. 711 and President Rolando submitted a statement for the record supporting the bill as a good first step and also renewing the NALC's call for an end to the WEP and the GPO.

Our continuing fight to repeal the WEP and GPO, however, is only one element of a larger fight. There have been additional successful attacks on our retirement benefits over the last 40 years, and there have been (and continue to be) many, many more unsuccessful attempts.

For instance, before 1982, a career employee could receive retirement credit for years in the military without making deposit for the years (often called "buying back" military time). The credited years applied to the employee's *eligibility* to retire and the *amount* of retirement. After Oct. 1, 1982, a new law required employees to pay 7 percent of basic military pay (plus interest in some cases) in order to receive credit toward retirement for the years of military service.

A double-reduction in retirement benefits occurred in 1982 and 1989. Prior to Jan. 1, 1989, an employee could receive credit for retirement *eligibility* and *amount* for previous years as a casual (or other non-career federal employment) without having to make deposit. After Oct. 1, 1982, a new law required CSRS employees to make deposit for non-career time in order to count it toward the amount of retirement, and FERS employees to make deposit to count it toward eligibility and amount. Then in 1989, another law completely closed the door for employees to obtain credit for prior non-career service performed after Jan. 1, 1989. Thus, no time as a transitional employee (TE) or city carrier assistant (CCA) can count toward retirement, because both of those categories were created after Jan. 1, 1989.

Things have arguably worsened in more recent years. The so-called Middle Class Tax Relief and Job Creation Act of 2012 raised the amount that employees (hired on and after Jan. 1, 2013) pay into their retirement, from 0.8 percent of basic pay to 3.1 percent of basic pay, with no increase in benefits. The Bipartisan Budget Act of 2013 increased the amount that employees (hired on and after Jan. 1, 2014) pay into their retirement to 4.4 percent of basic pay, with no increase in benefits.

There have been other hits on our retirement benefits. Each one has been the result of legislation passed by the House and Senate and signed by the president. But those hits are dwarfed by the proposed hits that have not been enacted into law. A House Continuing Resolution in 2012 proposed increasing the amount CSRS employees pay for their retirement from 7 percent to 12 percent of basic pay, with no increase in benefits. H.R. 3813 in 2012 proposed abolishment of the FERS Special Annuity Supplement. S. 1486 in 2012 proposed allowing USPS to bargain to eliminate matching TSP contributions. S. 644 proposed abolishment of the FERS annuity. Another bill in 2012 proposed reduction of CSRS and FERS annuities by changing the formula from high-3 to high-5. In 2015, a Highway Transportation bill proposed reducing TSP G Fund returns to almost zero.

Consider the above history. Two things are apparent. First, powerful forces are against the idea of structuring our society and economy in ways that provide working people with modest financial security and dignity at the end of their work careers, and they are relentless and think long term. Second, the battles fought by the NALC (and other unions and pro-worker organizations) against these forces take place in the halls of Congress and in voting booths.

Retired and active NALC members can reasonably reach two conclusions. First, we should vote at every opportunity, and our votes should go to legislators who share our economic interests. Second, we should contribute to the Letter Carrier Political Fund (LCPF). The LCPF is both a shield and a sword in the battles for retirement security. Money, in the form of political contributions, helps to elect individual senators and representatives who are open to the case for retirement justice. The NALC is prohibited from using dues income for political purposes. But we can and do use the LCPF, and it gives us influence.

Retired NALC members who want to contribute, or increase current contributions, to the LCPF through automatic deduction from their OPM annuity can easily do so. Call the NALC Retirement Department at 800-424-5186 toll-free Monday, Wednesday or Thursday from 10 a.m. to noon, or 2 p.m. to 4 p.m. Or you can call NALC at 202-393-4695 and ask for the Retirement Department.